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Joint Committee on Finance *100TH ANNIVERSARY 1911 - 2011*

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: August 17, 2011

Re: DOJ Report to JFC

Attached is a report regarding money received by the Department of Justice under a court order or a settlement agreement for providing restitution to victims from the Department of Justice, pursuant to s. 165.25(10), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV;jm



STATE OF WISCONSIN
DEPARTMENT OF JUSTICE

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August 17, 2011

Secretary Michael Huebsch, Department of Administration
Members, Joint Committee on Finance

RECEIVED
AUG 17 2011

BY: *St. Finance*

Dear Secretary Huebsch and Members, Joint Committee on Finance:

This report is submitted under sec. 165.25 (10), Wis. Stat., which requires a report *regarding money received by the department of justice under a court order or a settlement agreement for providing restitution to victims.*

During the period of January 1, 2011 through June 30, 2011, these restitution cases received and/or disbursed payments:

<u>Case</u>	<u>Received</u>	<u>Disbursed</u>
1. <i>Kool View Company</i>	\$ 4,000.00	\$ 0.00
2. <i>Auto Restore, Inc</i>	\$ 25,500.00	\$ 25,500.00
3. <i>Various Medicaid Fraud Cases</i>	\$ 4,996.85	\$ 4,996.85

The following is a brief description of each settlement agreement for providing restitution to victims.

Kool View Company entered into a consent judgment in the amount of \$200,000 for deceptive marketing practices by misrepresenting the deferred rebate program known as the National Energy Rebate Fund. To date, Kool View has paid \$36,177.32 in restitution payments, \$4,000 of which was received during this reporting period. Another defendant, Matthew Stubbs, stipulated to a judgment of \$20,000 for restitution and that payment was received in April, 2009. There are also pending collection efforts to satisfy a \$5.5 million default judgment obtained against the national Rebate Fund, Inc. and Timothy Stubbs.

Secretary Michael Huebsch, Department of Administration
Members, Joint Committee on Finance
August 17, 2011

While there is \$56,177.32 on hand for restitution payments, there are approximately 300 Wisconsin victims, and for efficiency's sake, we will wait to make a distribution until more funds are obtained. We anticipate making a distribution during the next reporting period.

In the *Auto Restore* case, the defendant violated Wisconsin's Motor Vehicle Repair Code, Wis. Admin. Code ch. ATP 132. The court ordered payment of \$90,000.00 payable to the DOJ in installments. During this six-month period, the DOJ received \$25,500.00 and paid out \$25,500.00 in restitution payments to ten consumers. The restitution activities for this case are only partially completed; the remaining balance payable to DOJ is \$64,500.

During the six month reporting period, the DOJ received \$4,996.85 in restitution from various defendants guilty of violations related to the Medicaid program. Of this amount, DOJ paid \$190.46 to a single victim and the rest, \$4,806.39 was paid to the state's private vendor for Medicaid Services, EDS Corporation.

Sincerely,



Bonnie Anderson
Budget and Finance Director